

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6501

BILL NUMBER: HB 1068

NOTE PREPARED: Dec 16, 2005

BILL AMENDED:

SUBJECT: NIPSCO Audit.

FIRST AUTHOR: Rep. Kromkowski

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Northern Indiana Public Service Company (NIPSCO) Audit Committee to audit the financial records of NIPSCO and to report the results of the audit to the General Assembly. It provides that the committee includes two members of the Senate, two members of the House of Representatives, two attorneys, and two certified public accountants. The bill also requires NIPSCO to pay 50% of the cost of the audit.

Effective Date: Upon passage.

Explanation of State Expenditures: The bill creates an eight-member NIPSCO Audit Committee consisting of 4 legislators and 4 lay members appointed by the Governor with staff support provided by the Legislative Services Agency. The committee is assigned to determine whether rates paid by electric and gas customers are appropriate for services received and whether statutes regulating NIPSCO are appropriate. A final report of the committee is due to the Legislative Council by November 1, 2007.

The members of the committee would receive the same per diem, mileage, and travel allowances paid to individuals who serve on interim study committees. The bill requires NIPSCO to pay 50 percent of the costs necessary to carry out the bill and requires the Legislative Council and Legislative Services Agency to pay the remaining half. Legislative Council resolutions in the past have established budgets for interim study committees at approximately \$9,500 per interim for committees with fewer than 16 members. The Legislative Council and Legislative Services Agency are funded with state General Fund dollars.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency.

Local Agencies Affected:

Information Sources:

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